

GOVERNMENT OF IRELAND BILL.

MEMORANDUM

ON

FINANCIAL PROVISIONS,

1913.

Presented to both Houses of Parliament by Command of His Majesty.



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### *Present Irish Revenue and Expenditure.*

In Command Paper No. 6488 it was estimated that the expenditure for Irish purposes in 1912-13 would be £12,381,500<sup>l</sup>, and that the revenue to be derived from Ireland in that year (excluding the proceeds of the duties on motor spirit and of the duty on licences for motor cars levied in Ireland, which in accordance with section 19 (2) of the Bill were not treated as the proceeds of an Imperial tax levied in Ireland) would be £10,850,000<sup>l</sup>; the expenditure was therefore estimated to exceed the revenue by £1,531,500<sup>l</sup>.

It is now possible to give approximate figures of revenue and expenditure in 1912-13 on the basis of the actual net receipts to the 31st March last and the Exchequer Issues to that date respectively.

The revenue was as follows:—

	£
Revenue was as follows:—	
Customs	3,143,000
Excise	3,240,500
Income Tax	1,463,000
Estate Duties	960,000
Stamps	373,000
Miscellaneous	144,500
Post Office	<u>1,330,000</u>
Total	10,644,000

The expenditure for Irish purposes may be divided into expenditure on services to be transferred to the Irish Government (in this memorandum called "transferred services") and expenditure on those services for which the Government of the United Kingdom will continue for the present to be responsible ("reserved services"). The cost of Irish services in 1912-13 was as follows:—

	£
Transferred Services (including Post Office) - - -	6,754,000
Reserved Services - - -	5,383,000
<b>Total</b> - - - - -	<b>12,137,000</b>

The excess of Irish local expenditure over the revenue contributed by Ireland was therefore £493,000*L*, as compared with the estimate of £531,500*L*.

Further details of both revenue and expenditure are given below and in the Appendices, but it must be understood that the figures are put forward as approximate and at the present period of the year are still subject to correction.

### *Revenue and Expenditure Accounts.*

The amount at which the Transferred Sum would have stood had the provisions of the Bill been in operation in 1912-13 may be calculated as follows (apart from any adjustments which might have been made by the Joint Exchequer Board established by the Bill):—

The expenditure on the Transferred Services (including the Post Office) was - - - - - 6,754,000  
 Adding the surplus, which for the first three years is fixed at - - - 500,000

We have

Deduct the revenue to be received by the Irish Government, viz.:—  
 Post Office Revenue - - - - - 1,320,000  
 Irish Fee Stamps - - - - - 81,000  
 1,401,000

And we have the "Transferred Sum."

The Irish Government's Budget would therefore have balanced as follows :—

Revenue.	Expenditure.
Transferred Sum - - -	£
Post Office - - -	5,853,000
Irish Fee Stamps - - -	1,320,000
	81,000
	<u>7,254,000</u>
	<u>7,254,000</u>
	£
	Cost of Transferred Services (including P.O.) - - -
	Surplus - - -
	6,754,000
	500,000
	<u>7,254,000</u>

The Imperial Government's receipts and expenditure on Irish accounts would have balanced as follows :—

Revenue.	Expenditure.
Irish Revenue (excluding Post Office and Irish Fee Stamps) - - -	£
	Transferred Sum - - -
	Cost of Reserved Services - - -
	9,243,000
Deficit - - -	1,983,000
	<u>£11,236,000</u>
	<u>£11,236,000</u>

#### *Prior Charges.*

No account has been taken in these balance sheets of the "prior charges" on the Transferred Sum, since in nearly every case the transaction simply resolves itself into a payment undertaken on behalf of the Irish Government by the Imperial Government balanced exactly by a deduction from the Transferred Sum. The principal prior charges in the first year after the passing of the Act and their amounts on the basis of the 1912-13 figures are—

Salaries and Pensions charged on Consolidated Fund (sections 32 (1) and 35 (1)) - - -	£
	107,000
Lord Lieutenant's Salary (Irish Contribution under section 31 (3)) - - -	5,000
Other Salaries (section 32 (3)) - - -	106,000
Pensions (Civil Servants, including Officers of the Post Office) - - -	128,500
Pensions (Dublin Metropolitan Police) - - -	34,000
	<u>£380,500</u>

The surplus shown in the balance sheet of the Irish Government given above is not affected by this prior charge of £380,500, the Transferred Sum and the cost of Transferred Services being reduced equally by that amount. The Imperial Government's expenditure on Irish account is also unaltered, the total payment of £380,500 being set off against a corresponding reduction in the Transferred Sum.

The charges on the Guarantee Fund under the Irish Land Purchase Acts which, in accordance with section 18 (1) of the Bill would be charged on the Transferred Sum, amounted in 1912-13 to £14,000.

#### *Cost of Reserved Services.*

The principal Reserved Services and their cost in 1912-13 are—

	£
Old Age Pensions - - - - -	2,605,500
Charges under Land Purchase Acts - - - - -	711,500
National Insurance and Labour Exchanges - - - - -	238,000
Royal Irish Constabulary - - - - -	1,954,000
Collection of Revenue - - - - -	299,000
Lord Lieutenant and Household - - - - -	19,500
Other Services - - - - -	155,500
	<u>Total - - - - -</u>
	<u>£383,000</u>

## NOTES.

(1) The charges under the Land Purchase Acts are calculated thus:—

Expenditure from Land Commission Vote on Land Purchase Services	£	542,500
Portion of the Ireland Development Grant forming part of the Cash Portion of the Guarantee Fund	180,000	
Salaries of Land Commissioners charged to Consolidated Fund	9,000	
		<u>£711,500</u>

(2) The expenditure on the National Health Insurance Commission, Ireland, was £145,000*l.*; on Labour Exchanges and Unemployment Insurance, 35,000*l.*; and on National Health Insurance, Special Grants, 50,000*l.* The balance of the total of 238,000*l.* was in respect of the apportionment to Ireland of part of the cost of National Health Insurance Audit Department, Joint Committee, &c.

(3) The salary of the Lord Lieutenant is 20,000*l.* and the expenses of the Household 4,500*l.* 5,000 is to be paid by the Irish Government, and the balance of 19,500*l.* is the figure shown above.

(4) The other Services are—

Public Works and Buildings	£	47,000
Board of Trade and Mercantile Marine	29,000	
Stationery and Printing	22,500	
Valuation, &c., Survey	17,000	
Rating of Government Property	6,000	
Public Works Office	8,500	
Superannuation (Civil Departments)	7,500	

and various small charges in respect of the expenditure of the Treasury, Audit Office, Civil Service Commission, &c., in respect of the Reserved Services.

With respect to certain of the above services, arrangements may be made under the powers given by the Bill for their performance by officers of an Irish Department on behalf of the Government of the United Kingdom, with whom the responsibility would continue to rest. The remuneration of the Irish Government would not form part of the Transferred Sum, but would be made by a special payment.

*Cost of Transferred Services.*

Details of the Exchequer Issues in 1912-13 in respect of the Transferred Services are given in Appendix B, and the following explanations are added.

Consolidated Fund.—The only difference from the estimate given on p. 4 of Cd. 6486 is that the cost of the Courts of Justice salaries exceeded the estimate by 1,000*l.*

Payments to Local Taxation Accounts.—The payments under section 17 of the Finance Act, 1907, in respect of the Death Duties amounted to 277,500*l.*, as against the estimate of 291,000*l.* The figures on p. 5 of Cd. 6486 require no other alteration.

Voted Services.—The difference between the expenditure on Voted Services as now shown and that shown in Cd. 6486 is due partly to the reasons given on p. 3 of that paper, viz., the variation caused by savings or supplementary Votes, and partly to the fact that it has been found possible to make a more accurate division of the amounts between transferred and reserved services.

## APPENDIX A.

1912-13.

## BENEFITS CHARTERED

	As assessed					As remitted.				
	By Budget	By Standard	By Actual	From other Budgets	Total	By Budget	By Standard	By Actual	From other Budgets	Total
Customs -	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Excise -	11,999,000	11,999,000	11,999,000	—	11,999,000	11,999,000	11,999,000	11,999,000	—	11,999,000
Duties, etc., Duties -	12,365,000	12,365,000	12,365,000	—	12,365,000	12,365,000	12,365,000	12,365,000	—	12,365,000
Stamp -	1,299,000	1,299,000	1,299,000	—	1,299,000	1,299,000	1,299,000	1,299,000	—	1,299,000
Local Tax -	225,000	225,000	—	—	225,000	225,000	225,000	225,000	—	225,000
State Duty -	1,875,000	1,875,000	—	—	1,875,000	1,875,000	1,875,000	1,875,000	—	1,875,000
Interest Tax -	10,240,000	1,064,000	1,070,000	—	10,240,000	1,070,000	1,070,000	1,070,000	—	10,240,000
Local Taxes Duties -	500,000	43,000	42,000	—	500,000	42,000	42,000	42,000	—	500,000
<b>Total Revenue from Taxes &amp; Duties</b>	<b>104,801,000</b>	<b>11,074,000</b>	<b>10,989,000</b>	<b>—</b>	<b>104,801,000</b>	<b>11,074,000</b>	<b>11,074,000</b>	<b>11,074,000</b>	<b>—</b>	<b>104,801,000</b>
 <i>Postal Services</i> -	 17,414,000	 1,084,000	 990,000	 —	 18,498,000	 17,484,000	 1,084,000	 990,000	 —	 18,498,000
Teleg. Services -	2,914,000	261,000	180,000	—	3,175,000	2,914,000	261,000	180,000	—	3,175,000
Telephone Services -	4,000,000	821,000	788,000	—	4,788,000	4,000,000	821,000	788,000	—	4,788,000
Carry Lands -	100,000	33,000	25,000	—	100,000	100,000	33,000	25,000	—	100,000
Remuneration from State Canal (Charter and Stocky)	—	—	—	1,479,000	1,479,000	—	—	—	1,479,000	1,479,000
 <i>Local</i>	 1,000,000	 90,000	 110,000	 1,010,000	 1,097,000	 1,010,000	 90,000	 110,000	 1,010,000	 1,097,000
 <i>Miscellaneous</i> -	 1,000,000	 90,000	 110,000	 1,010,000	 1,097,000	 1,010,000	 90,000	 110,000	 1,010,000	 1,097,000
 <b>Total Municipal Services</b> -	 <b>28,700,000</b>	 <b>1,098,000</b>	 <b>1,128,000</b>	 <b>1,010,000</b>	 <b>1,097,000</b>	 <b>28,700,000</b>	 <b>1,098,000</b>	 <b>1,128,000</b>	 <b>1,010,000</b>	 <b>1,097,000</b>
 <i>Administrative Expenses</i> -	 15,350,000	 2,065,000	 19,150,000	 19,150,000	 19,150,000	 15,350,000	 2,065,000	 19,150,000	 19,150,000	 19,150,000
 <i>Personnel</i> -	 26,12	 17.62	 21.00	 21.07	 20.99	 26.12	 17.62	 21.00	 21.07	 20.99

\* This chart also presents a summary of various grants and subsidies from State, which are deducted from the total shown on page 6, viz. —

Total as shown —

More right than accounted by budget

More or less than accounted for budget —

—

Total as shown —

—

## APPENDIX B.

## EXPENDITURE ON TRANSFERRED SERVICES IN 1912-13, BASED ON THE EXCHEQUER ISSUES IN THAT YEAR.

	£
Consolidated Fund	113,500
Payments to Local Taxation Accounts	1,463,000
Voted Services—	
<i>Class I.</i> (Public Works and Buildings) :—	<i>£</i>
Surveys	68,500
Rates on Government property	24,000
Public Works and Buildings	162,000
Railways	45,500
Other Services	1,000
	301,000
<i>Class II.</i> (Salaries and Expenses of Civil Departments) :—	
Department of Agriculture, &c.	160,500
Congested Districts Board	170,000
Local Government Board	104,000
Public Works Office	34,500
Valuation, &c., Survey	21,500
Stationery and Printing	39,000
Chief Secretary's Office	23,500
Registrar General's Office	20,500
Public Record Office	7,500
Treasury, Home Office, Audit Office, Civil Service Commission, &c.	23,500
	610,500
<i>Class III.</i> (Law and Justice) :—	
Law Charges, &c.	62,000
Supreme Court, &c.	110,500
County Court Officers	109,500
Dublin Metropolitan Police	94,000
Prisons	109,000
Reformatory and Industrial Schools	106,500
Land Law Services (Part of Land Commission Vote)	24,000
Dundrum Criminal Lunatic Asylum, &c.	8,000
	623,500
<i>Class IV.</i> (Education, Science and Art) :—	
Public Education	1,711,500
Science and Art	131,500
Universities and Colleges	112,000
Other Services	6,500
	1,961,500
<i>Class VI.</i> (Non-effective and Charitable Services) :—	
Superannuation	70,500
Hospitals and Charities	17,000
	87,500
<i>Class VII.</i> (Miscellaneous) :—	
Ireland Development Grant (part of)	25,000
Other Services	9,500
	34,500
Post Office	3,618,500 5,195,000 1,559,000 <u>£6,754,000</u>